

Services Division
European Satellite Committee

Meeting of 30 April 1958

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Present: [REDACTED] S/TR; [REDACTED] S/TF; [REDACTED] D/A; [REDACTED] D/M; [REDACTED] St/I; and [REDACTED] IRA

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Mr. [REDACTED] discussed manpower developments in the European Satellites. He outlined the principles of manpower dynamics, including consideration of age-sex distributions and the impact of natural increase and migration upon them. He discussed some of the methodological problems connected with the series of studies on the industrial distribution of the labor force of the Satellites, the first of which (on Poland) is now being submitted for review.

The population of the Satellites is estimated at an average of 26.0 million persons in 1957. The economically active age group (15-64 years of age) at that time is estimated at 62.0 millions, and the civilian labor force at 48.4 millions.

During the past two years the European Satellites have again been confronted with the problem of unemployment arising from the decreased rate of industrialization coupled with reductions of "redundant" administrative employees and probable reductions of military forces. The Satellites appear to be faced with the dilemma as to whether to maintain the fiction of full employment or to follow the capitalistic theory that labor redundancy should be reduced to increase efficiency. The problem is further complicated by the prospect that larger age groups will be coming of labor-force age beginning about 1961. This will mean finding employment opportunities for these additions to the labor force.

Mr. [REDACTED] asked the Committee if anyone was interested in getting Jahrbuch 1957 for Bezirk Magdeburg. The Library now has the yearbooks for Bezirk Leipzig and Bezirk Frankfurt, Oder. [REDACTED] will be asked to procure yearbooks for other bezirke if the analysts working on East Germany wish these. Please call Mr. [REDACTED] if you are interested in procuring others.

On 7 May, Miss [REDACTED] will lead a discussion of economic developments in Hungary since the revolution. Discussants will include [REDACTED] S/TF, [REDACTED] S/COM, and [REDACTED] I/CI.

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Secretary

Services Division

European Satellite Committee

Meeting of 23 April 1958

Present: [REDACTED] S/TF; [REDACTED] S COM; [REDACTED]
[REDACTED] S/TF; [REDACTED]
[REDACTED] D/A; [REDACTED] D/I; [REDACTED] D/A
[REDACTED] SA/RR; and [REDACTED] St/I.

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Mr. Ed Segall, who has just returned from a tour of duty as Economic Reports Officer of the State Department in Rumania, met with the Committee. Mr. Segall answered questions with regard to the workings of CEMA and to the general economic situation in Rumania. He showed slides which were illustrative of economic conditions and the manner of living in that country.

Mr. Segall has been invited to attend future meetings of the Committee, especially when they concern Rumania.

On April 30, Mr. [REDACTED] of D/A will discuss manpower developments in the Satellites. The meeting will be held at 1330 in Room 1121 M Building.

Secretary

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Services Division
European Satellite Committee

[REDACTED]
and has some interesting stereographic slides taken in Rumania that he will show. The meeting will be held at 1330 in Room 1121 M Bldg.

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On April 16, Mrs. [REDACTED] met with the Satellite Committee and discussed the civil airlines and air policy in the Satellites.

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Before Communist domination, one of the Satellites--Czechoslovakia--belonged to the International Air Transport Association and to the International Civil Aviation Organization. Czechoslovakia was on the first Council of IATA and had air agreements with eleven western countries. When the Communists took over, the Satellite airlines were weaned away from the West for several reasons: (1) the West did not want to send parts to them, (2) the West wanted to keep the Satellite airlines in their own air space, and (3) also wanted to keep them out of the Middle East.

Thus the Satellite airlines were absorbed into the Bloc, and they standardized on USSR aircraft. The Satellite countries fell into two groups: (1) those who had joint airlines with the USSR, and (2) those who had independent airlines. The joint airlines were TABSO of Bulgaria, MALEV of Hungary, and TAROM of Rumania. Independent airlines were CSA of Czechoslovakia and LOT of Poland. In 1954, however, the USSR withdrew their share of the joint airlines.

Before coordination with the USSR, the Czech airline had 21 DC-3's. They could not get spare parts from the West for these, so they turned to Soviet aircraft. They received in addition from the USSR 7 LI-2's, 8 IL-12's, 10 IL-14's and just recently 3 Tu-104A's. The latter is the 70-passenger version of the Russian jet. With the jet, CSA hopes to fly to Paris, Beirut, and Cairo--regaining the Middle Eastern routes lost in 1949.

It is rather difficult to compare the Satellite airlines with Western airlines, but an American airline (Allegheny Airlines) with 23 aircraft similar to those used by the Czech line carried 440,000 passengers in 1957, while CSA carried only 233,000 passengers with the 36 aircraft they used on domestic routes.

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Secretary

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